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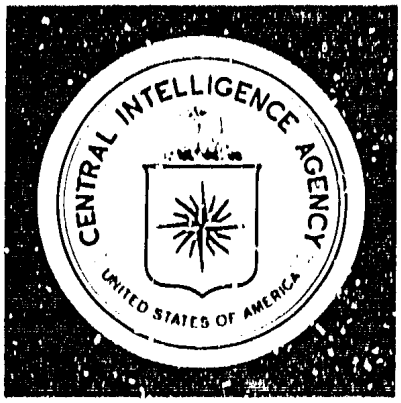

Developments in Indochina

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State Dept. review completed

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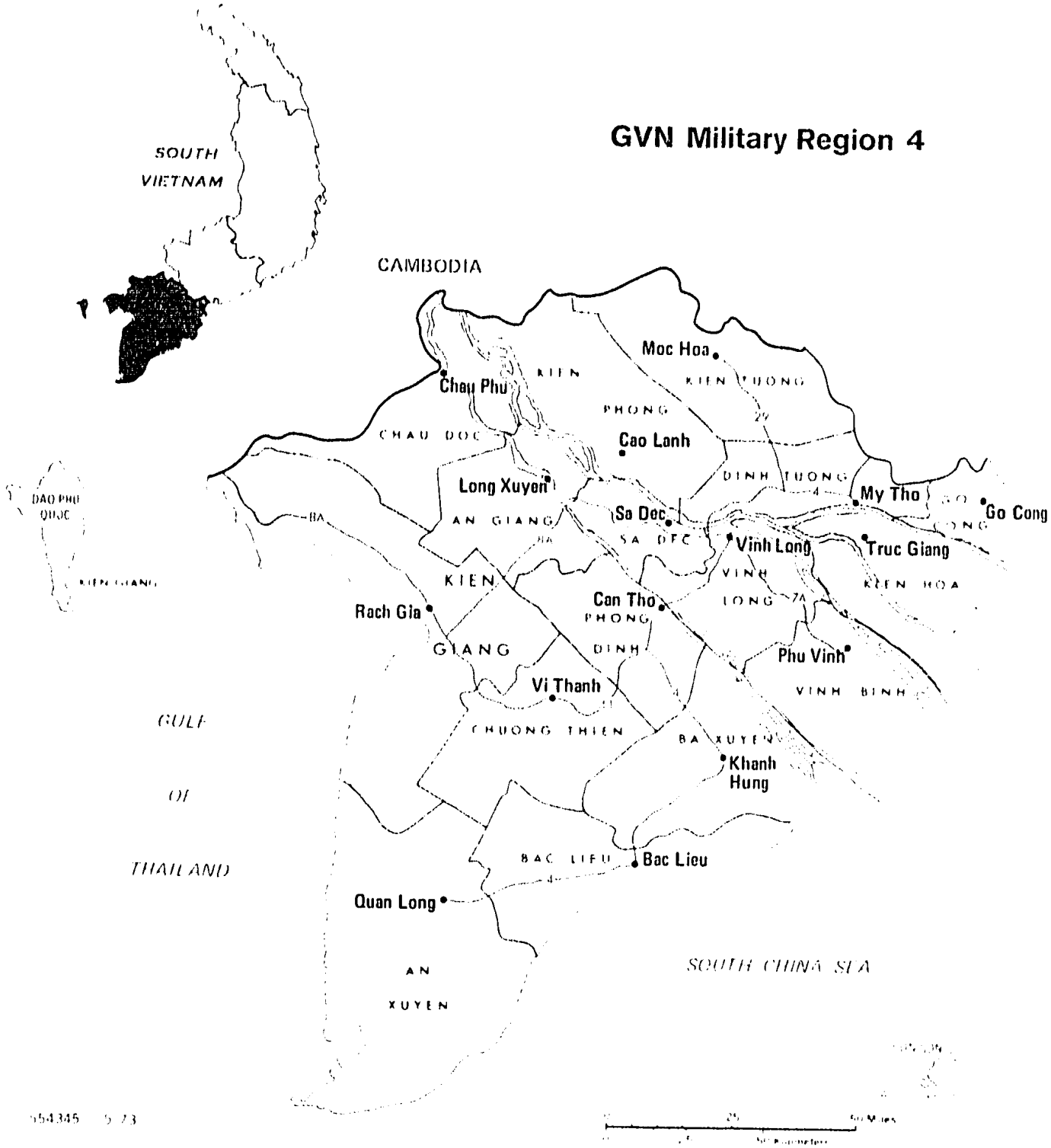

SOUTH VIETNAM

The Other War in the Delta

The artillery duels and relatively large-unit clashes along the Cambodian border and in Chuong Thien and Dinh Tuong provinces do not typify the combat situation elsewhere in the delta. In most of the delta, current military activity is an extension of the small-scale fighting that has been under way for four years in which the government holds the upper hand.

During the first three months of the cease-fire, South Vietnamese forces have been actively pursuing pacification operations in the countryside and expanding their holdings by pushing into some of the more exposed Communist-held areas. In most of the delta, the Communists have been forced on the defensive, working to consolidate areas under their control and only occasionally producing an impressive counterthrust.

Both sides are pushing pacification programs, but in different ways. Saigon's forces have been constructing outposts close to some of the more important Communist base areas in the delta. For example, in Ba Xuyen Province since the cease-fire the government has completed ten new territorial force outposts and is working on seven more, all in or near the few remaining small Communist strongholds in the province. In the contested northwestern part of Dinh Tuong Province, the government is moving ahead with plans to re-establish all outposts destroyed during last year's offensive. At least 54 have already been rebuilt and 68 more are scheduled to be completed this year. Similar government efforts are under way in several other provinces.

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Outposts have an important political role. Whatever their limitations from a military point of view, both sides regard such positions as a symbol of the government's political writ.

The South Vietnamese are conducting other related operations in many sectors of the delta. In Dinh Tuong Province government troops carry out from two to five "territorial security" operations daily in every district, most often in areas where government control is least firm. In addition, South Vietnamese Army engineers are building roads adjacent to areas claimed by the Communists. Other government troops are helping to move families closer to roads and away from Communist-influenced areas.

The Communists are reacting to government initiatives by attacking the new outposts and trying to cut the principal roads and waterways. They are also using a combination of political and military pressure to try to improve their own hold over people and land in the delta. They have been most effective in parts of An Xuyen, Kien Giang, Chuong Thien, Bac Lieu, and Vinh Binh provinces, where the local force Viet Cong are buttressed by North Vietnamese combat units.

Despite these limited Communist gains, the relatively greater progress has been made by the government in most of the delta.

Focus On Elections

Elections for village councils will soon take place in all provinces of South Vietnam except Quang Tri. The contests--the first in more than a year--will be staggered throughout the rest of 1973, but most will be held in May or June. The Thieu government regards the elections as a demonstration of its legitimacy at the local level, as well as the first test of strength of the Democracy Party.

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The non-Communist opposition is not well-organized at the local level, and the Democracy Party should do very well. The party's performance may be helped by local officials who, in trying to head off any covert Viet Cong participation, may exclude some non-Communist candidates as well. In one province in the delta, for example, officials reportedly are taking measures to disqualify "leftists, neutralists, and Communists," as well as incumbent council members who do not have government support. The US Embassy reports that 80 to 100 percent of the first slates of candidates to appear in Military Region 3 are Democracy Party members. In one northern province where the party has had difficulty getting organized, local authorities apparently are encouraging non-Communist opposition candidates to run for fear that otherwise Viet Cong sympathizers may be elected.

There are few indications of Communist intentions toward the elections. In the past they have seldom attempted seriously to disrupt or otherwise influence the outcome of government elections. 25X1

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Elections are also occupying the National Assembly which is focusing on the bill to regulate next August's Senate elections. Last week, the Senate passed an amended version of the government's bill which includes some changes designed by the opposition to give candidates other than those of the Democracy Party a better chance of participating and winning some of the seats. Although it seems unlikely that the Lower House will muster the necessary two-thirds vote to override the Senate version, President Thieu can propose amendments of his own--a process the assembly seldom has been able to override. 25X1

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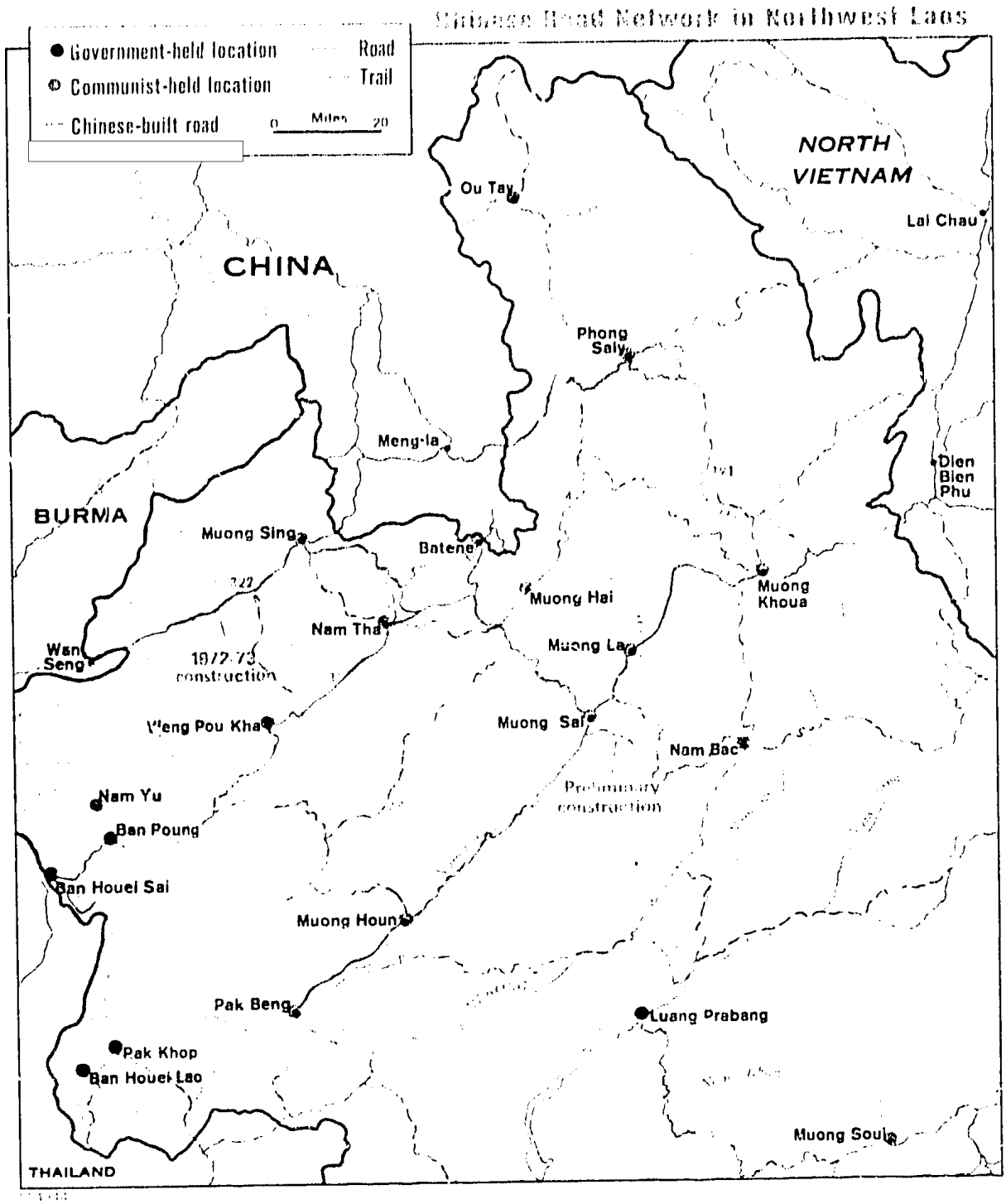

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LAOS

The Chinese Road-Building Season

As the light rains that presage next month's monsoon downpours bring an end to this season's Chinese road-building efforts, preparations appear to be already under way for new projects. 25X1

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Chinese road crews began a short segment east from near Muong Sai, just as the dry season was ending. This may be a prelude to work on a road to Nam Bac and the Nam Ou Valley, where survey operations were completed a year ago.

The current Chinese rationale for their continued presence in Laos is the claim that they are building roads in pursuance of economic aid agreements with Vientiane in the early 1960s. Peking probably expects eventually to work out new aid agreements to legitimize this activity once a new coalition government is formed in Vientiane. The construction of new roads in the Nam Bac and Phong Saly area would take at least one more dry season. Even if these projects are not undertaken, putting the finishing touches on routes built this season will take several months.

During the dry season now drawing to a close, Chinese road crews pushed forward at the fastest pace ever on two major new projects. One new road follows the alignment of long-abandoned Route 322 across the extreme northwest corner of Laos to the bank of the Mekong opposite Burma. The other follows old Route 3, another long-disused French logging trail, from the Pathet Lao administrative center at Nam Tha to within 16 miles of an existing road to Ban Houei Sai, a government-held town on

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the Mekong opposite the Thai border. To clear the way for the road builders, Pathet Lao forces staged their most ambitious military operations in the area, overrunning Vieng Pou Kha, an important refugee center, and Nam Yu, the government's principal military base in the northwest. Peking apparently wished to have both roads, which might cause concern in neighboring states, well under way before a Lao settlement in order to spare Prime Minister Souvanna difficulties in attempting to justify them as "aid projects."

Souvanna, who has been assiduously courting Peking for the past two years, has avoided the issue of Chinese troops during his negotiations with the Lao Communists. He will have little difficulty in accepting the foreign assistance rationale for roads already built or for new projects in remote areas. Souvanna does not now seem to regard the Chinese presence as a threat and, in fact, may see it as a potentially useful counterbalance to North Vietnamese influence in northern Laos. In any case, he clearly wants Chinese diplomatic support during the difficult initial months of a coalition government in Vientiane and is unlikely to do anything to offend Peking. 25X1

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Quiet on the Military Fronts

The level of combat has been on a downward trend since the North Vietnamese attacks at Tha Viang in early April. Although officials in Vientiane continue to tally numerous cease-fire violations, the number of government casualties and the rate of artillery fire--the most accurate indices of combat--hover near zero, as they have for the past two weeks.

The skirmishing near Thakhek and the isolated Pathet Lao attacks are providing grist for military briefings in Vientiane. Before the cease-fire, they would have attracted no attention. Communist units have eliminated several outposts in the north, near Bouam Long, a government stronghold north of

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the Plaine des Jarres, and have driven the remaining government units away from Tha Viang, but throughout most of the region accommodations worked out by local commanders are holding up well. Pathet Lao forces concentrated near the road junction at Sala Phou Khoun in apparent preparation for attack have not moved to force the government out. Local cease-fire rules have been worked out between government and Communist units in the Sedone Valley northeast of Khong Sedone, but skirmishing continues near Thakhek where an aggressive government commander still seems determined to increase his holdings.

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ANNEX

Hanoi's Short-Term Strategy in Cambodia

Hanoi's objective in Cambodia has always been reasonably clear: a coalition government heavily influenced if not controlled by the Communists--one that would permit unhampered Vietnamese Communist use of Cambodian territory. The strategy for achieving this goal has been a major unknown, with much of the uncertainty revolving around Hanoi's problems with Sihanouk.

Prior to Sihanouk's ouster in 1970, Hanoi had gone through many difficult times with the prince in attempting to secure the use of Cambodian territory to support its forces in South Vietnam. Sihanouk was always a bit too independent and hard to handle for North Vietnamese tastes. Moreover, Hanoi is apprehensive about Chinese ambitions for an important political role for Sihanouk following a settlement in Cambodia--a stronger role than Hanoi would prefer and one which would increase Chinese leverage in Phnom Penh at North Vietnamese expense.

To be sure, Hanoi always issued the required endorsements of Sihanouk's exile "government" and its demands for the ouster of the Lon Nol regime, but it always stopped short of using its leverage to impose Sihanouk on a Khmer Communist leadership hostile to him. The North Vietnamese never articulated a fully shaped negotiating strategy with the prince as focal point. This temporizing continued until the prince's visit to Hanoi in late January. Shortly thereafter, North Vietnam must have begun making the necessary arrangements for Sihanouk's trip to the "liberated zone" and the subsequent display of instant insurgent unity.

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Chinese prodding and Sihanouk's apparent willingness to agree to a circumscribed, if not expendable, role no doubt encouraged Hanoi to embrace the prince fully. But the catalytic factor may have been Hanoi's own optimistic assessment of the Cambodian situation. The North Vietnamese probably came to see events in Cambodia as developing in their favor far more rapidly than they had anticipated and decided that a timely and all-out propaganda and political offensive, together with continuing military pressure, might be enough to collapse the Lon Nol regime and force negotiations on Communist terms.

The general outlines of Hanoi's new Cambodian strategy seem fairly clear. For the time being, the North Vietnamese are saying that a settlement must come on Communist terms, i.e., the ouster of Lon Nol and negotiations between a successor regime in Phnom Penh and an insurgent "government" headed by Sihanouk. The Communists are trying to create the impression that the Lon Nol government is a US enclave living on borrowed time, and to contrast that image with one of a fully unified and independent political and military insurgent force that governs the bulk of the population and territory.

Communist propaganda is only the orchestration for continuing military action.

the fighting of recent days indicate that the Communists are determined to maintain and tighten their vise on Phnom Penh's lines of communication and to take the war to the capital itself through a campaign of sapper attacks and sabotage. The Communists probably hope that a high level of terrorism and sabotage in Phnom Penh could provoke a new political crisis that would overturn the government.

By all indications, therefore, the conflict in Cambodia is entering a new and crucial phase. During the next few months, the Lon Nol government will have

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to cope not only with mounting military pressure, but also with a well-orchestrated Communist campaign of political and psychological warfare. Hanoi is probably operating with one eye on the calendar in a belief that Phnom Penh's collapse, if it occurs, must come before summer when heavy rains will make insurgent military operations much more difficult. The government's performance will depend in part on the effectiveness of the new "high council." This body will not offer a panacea for Cambodia's intractable problems. But the departure of the President's brother, Lon Non, will do much to stabilize the political situation, and a revamped government does offer hope for at least some modest improvement in military and economic performance. The "high council" can also be expected to take a far more realistic view of the situation than did Lon Nol and will probably explore more vigorously the possibilities of opening a dialogue with the Khmer Communists. But the government's number one problem is to revitalize the Cambodian Army and put itself in a stronger negotiating position.

On balance, it seems likely that the government can muddle through until summer and the rains. If it does--and especially if political and military reforms take hold--the regime should be able to get through 1973, perhaps very much on the defensive but still intact.

The government's performance will also strongly influence Hanoi's view of its future prospects in Cambodia; but in any case the Communists are not likely to abandon their current strategy hastily. If after a few months Hanoi judges that its hard-line high-pressure strategy is not working--that Phnom Penh is holding its own or gaining strength--it can adjust its game plan accordingly. The Communists can begin to explore the possibilities and prospects of negotiating with the existing government

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or they can decide to avoid the conference table in favor of protracted struggle. Aside from the strength of the opposition, their decision will hinge heavily on the amount of big power interest in arranging a compromise settlement. But for the next two to three months Hanoi probably considers that it has much to gain and relatively little to lose by subjecting Phnom Penh's political and military stability to an exacting test.

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